

FISCAL NOTE

HB 08 - SB 11 SECOND EXTRAORDINARY SESSION

November 5, 1999

SUMMARY OF BILL: Amends T.C.A. 67-2-122. Removes the tax credit reciprocity agreement that is required for a shareholder in a Subchapter S Corporation to receive a credit on Hall Income Tax for taxes paid to out-of-state income, distributions or interest by shareholders of out-of-state subchapter S corporations.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$37,500

The exact amount of loss cannot be determined since the Department of Revenue does not keep data on the amount of tax collected as a result of this source of income; however, such loss can be reasonably estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director